

# Idaho Grain Market Report, December 13, 2018—NEW CROP PRICES

Published weekly by the Idaho Barley Commission  
lwilder@barley.idaho.gov 208-334-2090 www.barley.idaho.gov



Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 12, 2018. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED  48 lbs or better</b>	<b>MALTING  Open Market Malting</b>	<b>Wheat (bu.) Milling  #1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Rexburg / Ririe	6.50		4.66	5.11	5.43	5.41
Idaho Falls		8.30-8.33	4.50	4.80	5.20	5.20
Blackfoot / Pocatello		7.06	4.70	5.10	5.35	5.45
Grace / Soda Springs	6.55		4.72	4.87	5.31	5.27
Burley / Rupert	6.25		4.76	4.65	5.22	5.15
Twin Falls / Buhl Jerome / Wendell	5.00-6.50		4.55-4.70	4.86	5.28	5.16
Nampa / Weiser			4.83			
Nezperce / Craigmont	5.21		5.30	5.71	6.07	
Lewiston	5.73		5.56	5.97	6.33	
Moscow / Genesee	5.24-5.43		5.33-5.39	5.74-5.84	6.10-6.18	5.84

## Prices at Selected Terminal Markets, cash FOB

Wednesday, December 12, 2018. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>#2 Feed Barley 46 lbs. --</b>	<b>Malting Barley</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			6.15-6.30	6.69	6.93-7.00	
Ogden	7.30		4.98	5.12	5.56	5.52
Great Falls	6.25-6.50	8.05-8.25		5.45-5.51	5.68-5.83	
Minneapolis	NQ			NQ	6.78-6.93	

## Market News and Trends This Week

**BARLEY**—Local feed barley prices were mostly steady at Idaho elevators this week but jumped \$0.30 in one location, while open market malt barley prices were unchanged. USDA reported no net export barley sales for the week. Exports of 100 MT--a marketing-year low--were down 87 percent from the previous week and 89 percent from the prior 4-week average. The destination was South Korea.

**Barley News**—U.S. Grains Council (USGC) Korea held a U.S. food barley and malt seminar in Seoul, South Korea last week to educate importers, manufacturers and beer companies about the characteristics and selling points of the grain and to encourage importers to use more U.S. food barley and malt in their food, distilled liquor and beer. McKay Seed Company CEO Dan McKay; McKay Seed Company Marketing Director Bryce McKay; and Malteurop North America Director of Technical Services Mary-Jane Maurice presented information on U.S. barley supply and demand, consumption, trading and logistics as well as U.S. beer and malt market and consumption trends. South Korea is a mature market for U.S. grains and the Council has had a presence there since 1972. Since the implementation of the Korea-U.S. Free Trade Agreement (KORUS) in 2012, exports of grains in all forms have increased by 78 percent, and U.S. food barley exports, in particular, have blossomed, increasing almost two and a half times between 2015/2016 and 2017/2018, from 3,051 to 7,293 metric tons. But despite a zero-tariff advantage under a tariff rate quota (TRQ), imports of U.S. barley are limited because of a relatively small market size, domestic barley production and competition from Australia. KORUS has created an opportunity for the United States to export a fixed volume of food barley duty-free under the TRQ. The initial 2,500-metric-ton duty-free quota will grow 2 percent each year to 3,234 metric tons in 2025, at which time the tariff will be eliminated. South Korea is the fourth largest importer of U.S. barley – nearly 7,500 metric tons valued at just over \$4 million in the 2017/2018 marketing year. The Idaho Barley Commission is an active member of USGC.

*Published by the Idaho Barley Commission weekly on Thursday or Friday except for weeks with major holidays including New Year's, Fourth of July, Thanksgiving and Christmas. Information included is from reliable sources and every effort is made to ensure accuracy on the date of publication, but no independent review has been made and we do not guarantee completeness or accuracy. Any use of this information is at your own discretion and risk. Editor: Laura Wilder, Administrator, Idaho Barley Commission, lwilder@barley.idaho.gov.*

## Market News and Trends This Week—continued

**WHEAT**—Idaho cash wheat prices were mixed, but stronger overall for the week. SWW prices ranged from \$0.05 lower to \$0.30 higher than a week ago; HRW prices were up at all locations \$0.03 to \$0.30 higher; DNS prices ranged from \$0.02 lower to \$0.15 higher; and HWW prices were up at all locations, \$0.03 to \$0.25 higher. USDA reported net export sales of 754,100 metric tons for 2018/2019, up 6 percent from the previous week and 62 percent from the prior 4-week average. Increases were reported for unknown destinations (210,600 MT), Japan (111,900 MT), Nigeria (89,000 MT), Singapore (65,000 MT), and Mexico (61,700 MT, including decreases of 19,900 MT). Reductions were for the Dominican Republic (700 MT) and the United Kingdom (600 MT). Exports of 490,700 MT were up 2 percent from the previous week and 31 percent from the prior 4-week average. The destinations were primarily to Mexico (86,200 MT), Indonesia (74,300 MT), Thailand (57,100 MT), the Philippines (55,300 MT), and Yemen (51,000 MT).

**Wheat Trends/Competitor News**—Wheat prices in Russia have climbed to their highest levels in almost a decade. SovEcon reported Russian wheat exports could drop 35% over last year primarily from declining inventories. Russian meat producers and wheat millers are competing for supplies with exporters fueling speculation of export cuts. World grain markets will be watching the outcome of a December 21 meeting between the Russian Agriculture Ministry and grain exporters. In other news, Egypt recently purchased 180,000 tonnes of Black Sea wheat for February shipment an average price of \$257.95 CNF, up almost \$5.00 per ton from last week's tender—a possible sign of tightening supplies. In South America, a Buenos Aires Grains Exchange official reported that heavy rains with hail in Argentina's growing region will likely see the harvestable wheat area declining.

**CORN**—USDA reported net export sales of 903,200 MT for 2018/2019, down 23 percent from the previous week and 14 percent from the prior 4-week average. Increases were reported for Japan (608,400 MT, including 137,100 MT switched from unknown destinations and decreases of 4,000 MT), Mexico (234,600 MT, including decreases of 96,000 MT), Saudi Arabia (146,500 MT, including 135,000 MT switched from unknown destinations), Colombia (39,800 MT, including decreases of 3,600 MT), and New Zealand (30,000 MT). Reductions were reported for unknown destinations (220,100 MT) and El Salvador (1,000 MT). For 2019/2020, total net sales were reported for Mexico (161,400 MT). Exports of 952,100 MT were down 18 percent from the previous week and 9 percent from the prior 4-week average. The destinations were primarily to Mexico (384,400 MT), Japan (201,400 MT), Saudi Arabia (146,500 MT), South Korea (68,400 MT), and Peru (45,000 MT).

**Ethanol corn usage**—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending December 7 averaged 1.046 million bbls/day – down 2.15% from the previous week and down 3.95% over last year. Total ethanol production for the week came in at 7.322 million barrels. Ethanol stocks were 22.89 million bbls on December 7, down 0.61% from last week and up 2.31% from last year. An estimated 108.01 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 1.51 billion bu, toward the USDA estimate of 5.6 billion bu total needed this crop year.

## Futures Market News and Trends This Week

**WHEAT FUTURES**—Wheat futures made strong gains overall for the week due to tighter wheat supplies globally and increasing prices from competitors.

**Wheat futures prices finished at -\$0.05¼ lower in the sole loss for the week to \$0.08¼ per bu higher for the week. Wheat futures settlement prices (per bu) for Thursday, 12/13/2018:**

	Dec 2018	Week Change	Mar 2019	Week Change	May 2019	Week Change	July 2019	Week Change
CHI SRW	\$5.27¾	\$0.08¼	\$5.36	\$0.04¾	\$5.41¾	\$0.05¾	\$5.47½	\$0.07½
KC HRW	\$4.92½	\$0.08	\$5.20	\$0.08	\$5.30½	\$0.07¾	\$5.39½	\$0.07½
MGE DNS	\$5.80½	-\$0.05¼	\$5.88¼	\$0.06¾	\$5.91¾	\$0.06	\$5.97	\$0.06

**CORN FUTURES**—Corn futures were mixed with modest changes compared to the previous week. **December 2018 contract closed Thursday, December 13 at \$3.75½ up \$0.01½ for the week, March 2019 contract closed at \$3.84¼ down \$0.01¼, May 2019 contract closed at \$3.91¾, down \$0.01 over the previous week, and July 2019 closed at \$3.98¼, down \$0.01 for the week.**

**CRUDE OIL FUTURES**—U.S. West Texas Intermediate and international-benchmark Brent crude oil traded nearly flat on Thursday, gaining a little ground for the week, but still struggling. OPEC-led production cuts announced last week and signs of easing trade tensions between Washington and Beijing are encouraging.

EIA reported U.S. crude oil refinery inputs averaged 17.4 million bbls/day during the week ending December 7, 51,000 bbls/day less than last week's average. Refineries operated at 95.1% of capacity last week. As of December 12, there was a decrease in Crude Oil stocks of 1.208 million bbls over last week to 441.954 million bbls, over the 5-year average of 414.886 million bbls. Distillate stocks decreased by 1.475 million bbls to a total of 124.137 million bbls, under the 5-year average of 134.697 bbls; while gasoline stocks increased by 2.087 million bbls to 228.337 million bbls, over the 223.695 million bbl 5-year average. The national average retail regular gasoline price was \$2.421 per gallon on December 10, \$0.030 lower than last week's price and \$0.064 under a year ago. The national average retail diesel fuel price was \$3.161 per gallon, \$0.046 per gallon below last week's level but up \$0.251 over a year ago.

**Oil Futures finished up slightly for the week to close at \$52.58/bbl on Thursday, December 13, 2018 (January contract), up \$1.09 over the previous week.**

## USDA Crop Progress / Condition Report—NEXT REPORT TO BE RELEASED APRIL 1, 2019

The first weekly USDA Crop Progress and Condition Report for 2019 will be released April 1, 2019.

### USDA U.S. Crop Weather Highlights—December 13, 2018

**West**—Dry weather prevails in advance of an approaching Pacific storm. Despite a recent increase in storminess, Northwestern snowpack remains substantially below average. Western drought remains deeply entrenched across the Four Corners region and an area centered on Oregon.

**Plains**—Windy weather prevails in conjunction with a developing storm system. The storm, which is crossing the southern Plains, is also producing scattered rain and snow showers. Today's wind gusts could top 60 mph across large sections of the Plains, possibly resulting in travel disruptions.

**Corn Belt**—Mild, mostly dry weather generally favors final corn and soybean harvest efforts, although complications include muddy fields, lingering snow cover, and locally dense fog.

**South**—Rain showers from the western Gulf Coast region to the Mississippi Delta are increasing in coverage and intensity. Although most Southern fieldwork is complete, wet fields continue to hamper late season harvest efforts.

**Outlook for U.S. Mainland**—A storm system currently intensifying over Texas will drift eastward, crossing the lower Mississippi Valley on Friday and reaching the southern and central Appalachians by Saturday. Wind-driven snow could affect portions of central Texas and environs later today, but the bulk of the precipitation associated with the storm should fall as rain. Storm-total rainfall could reach 1 to 3 inches or more from the mid-South into the middle and southern Atlantic States. Most of the remainder of the country will experience mild, dry weather, but periods of locally heavy precipitation will affect northern California and the Pacific Northwest. The NWS 6- to 10-day outlook for December 18 – 22 calls for the likelihood of warmer-than-normal weather nationwide, except for near-normal temperatures across southern Florida. Meanwhile, below-normal precipitation in most areas of the country should contrast with wetter-than-normal conditions in the Rio Grande Valley and from the Pacific Northwest to the northernmost Rockies.

### USDA International Crop Weather Highlights—December 11, 2018

**EUROPE**—Much-needed rain eased drought in Germany and Poland, improving moisture reserves for dormant winter wheat and rapeseed but arriving too late to improve establishment prospects. Rain boosted moisture reserves for dormant to semi-dormant winter crops in France and England.

**MIDDLE EAST**—Moderate to heavy rain continued across the region, further easing short-term drought on central Turkey's Anatolian Plateau while maintaining abundant moisture supplies elsewhere for winter grains.

**FSU**—Winter wheat is dormant under widespread snowpack.

**ASIA**—Seasonably colder weather in eastern China began to ease wheat into dormancy, while showers in the Yangtze Valley maintained favorable moisture conditions for vegetative rapeseed. Showers in the eastern Philippines improved moisture supplies for rice and corn, although more rain would be welcomed in the northeast. Seasonably heavy rainfall across Malaysia and Indonesia benefited oil palm and rice.

**AUSTRALIA**—Along coastal Queensland, soaking rain benefited sugarcane development but likely slowed harvesting. Elsewhere in the east, dry weather reduced moisture supplies for sorghum and cotton. Mostly dry weather in western and southeastern Australia aided wheat, barley, and canola harvesting.

**SOUTH AMERICA**—Abundant rain benefited soybeans and cotton in central Brazil and the northeastern interior. However, drier conditions prevailed in southern soybean and corn areas. A second week of dryness spurred corn and soybean planting in central Argentina.

**SOUTH AFRICA**—Moderate to heavy rain moistened topsoils for corn and other rain-fed summer crops.

**NORTHWEST AFRICA**—Sunny skies favored winter grain planting and establishment after a very wet autumn.

### USDA World Supply and Demand Estimates Report Highlights—December 11, 2018

U.S. wheat highlights from the USDA's December 11 WASDE outlook for 2018/19 is for unchanged supplies, lower exports, and higher ending stocks. Wheat exports are lowered 25 million bushels to 1.0 billion with all of the reduction in Hard Red Winter (HRW) on historically low exports for this class in the first half of the 2018/19 marketing year (MY). The reduction in HRW is partially offset by higher exports of Hard Red Spring and Soft Red Winter. Projected 2018/19 ending stocks are raised 25 million bushels to 974 million, which are still down 11 percent from last year. Based on NASS monthly prices reported to date and price expectations for the remainder of the MY, the projected season-average farm price is up \$0.05 per bushel at the midpoint with the range narrowed to \$5.05 to \$5.25. Projected global 2018/19 trade is lower, as reduced Australian, EU, and U.S. exports are partly offset by higher Russian exports, which are increased 1.5 million tons to 36.5 million. Russia and other Black Sea suppliers continue to displace EU and U.S. exports in several markets in the first half of 2018/19 but are expected to be less competitive in the second half based on reduced exportable supplies. Australia's wheat exports are lowered 1.0 million tons to 10.5 million as its export prices are expected to remain uncompetitive and more supplies are consumed domestically for feed. Global ending stocks are raised 1.4 million tons to 268.1 million, primarily on increases for the EU and the United States but are 4 percent lower than last year's record 279.9 million. The 2018/19 U.S. barley outlook is for unchanged supplies and exports. Barley ending stocks were decreased from 88 million bushels to 83 million bushels. December 2018/19 barley price projections were \$4.10 to \$5.00/bu—down from the \$4.15 to \$5.15/bu November WASDE projection.